

March 4, 2002

Honorable Amy Tuck  
Lieutenant Governor  
State of Mississippi  
315 New Capitol Building  
Jackson, MS 39201

Dear Governor Tuck:

Today I am respectfully offering another proposal for solving the current \$158 million Medicaid shortfall. I urge you to take action on this proposal within the next 48 hours.

My proposal calls for amending House Bill 1379 to allow for a Revenue Anticipatory Note to fund \$119 million of the shortfall. This note would be repaid with revenue provided for in House Bill 1379, which calls for accelerated tax collections.

The balance of \$39 million would be covered by borrowing from special funds. For this plan to work, the Legislature must pass the Executive Budget Recommendation outlined in January. Any growth over the revenue estimate of 2.65 percent in that recommendation would be used to repay the amount borrowed. Any revenue over the \$119 million used in House Bill 1379 would also be applied to this repayment.

In addition, I am asking for the authority to make Medicaid work the way it was designed. Such authority would allow my office and Rica Lewis-Payton to better manage the health care services for our people. We must have the flexibility to make this program work more efficiently and more effectively.

The people of Mississippi are looking to us for a solution, and this provides a sound, solid solution.

Very truly yours,

Ronnie Musgrove